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January 16, 2013

VIA ELECTRONIC FILING

Ms. Jocelyn G. Boyd
Chief Clerk and Administrator
The Public Service Commission of South Carolina
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210

Re: GCRM-135, Docket No. 2006-401-G

Dear Ms. Boyd:

On behalf of Piedmont Natural Gas Company, Inc. ("Piedmont"), I have enclosed various schedules constituting Piedmont's GCRM-135.

The rate changes reflected in this filing, as shown on the attached schedules, are necessary to update Piedmont's rates to reflect changes in Piedmont's wholesale costs of gas. Wholesale futures contract prices for natural gas deliveries, as reflected on the New York Mercantile Exchange, are currently at levels below the \$3.75 commodity cost of gas reflected in Piedmont's rates.

Based on the differential between Piedmont's existing benchmark cost of gas and the futures wholesale price, as well as the current balance in its deferred gas cost account, Piedmont is at risk of overcollecting its wholesale gas costs in the near future if the benchmark cost of gas reflected in its rates is not decreased to \$3.00 per dekatherm as proposed herein. The relief requested herein will avoid such overcollection and will also ensure that the wholesale gas costs reflected in Piedmont's rates are reasonably consistent with the prevailing market price for natural gas, thereby avoiding the creation of artificial market signals/incentives to parties who utilize this commodity for fuel or process purposes. The rate changes proposed herein are a decrease of \$0.07633/therm for sales rate schedules (201, 202, 221, 232, 242, 252, 262, 203 and 204) and a decrease of \$0.00133/therm for transportation rate schedules (213 and 214).

Piedmont hereby requests approval of this GCRM filing in time to implement these rate changes effective with the first billing cycle in February, 2013.

Ms. Jocelyn G. Boyd
January 16, 2013
Page 2

If you have any questions regarding this matter, you may reach me at the number shown above.

Sincerely,

Moore & Van Allen, PLLC

s/ Scott M. Tyler
Scott M. Tyler

Enclosures

c: Mr. David Carpenter
Ms. Pia Powers
Mr. Jim Jeffries
Office of Regulatory Staff (via email and overnight delivery)

STATE OF NORTH CAROLINA

VERIFICATION

COUNTY OF MECKLENBURG

Pia Powers, being duly sworn, deposes and says that she is Manager – Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Petition and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.

Pia Powers

Pia Powers

Mecklenburg County, North Carolina

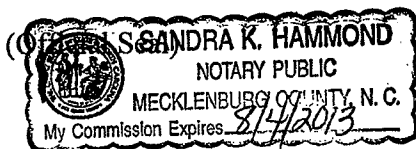
Signed and sworn to before me this day by Pia Powers.

Date:

January 14, 2013

Sandra K. Hammond

Sandra K. Hammond, Notary Public



My commission expires:

August 4, 2013

SCHEDULE A

Piedmont Natural Gas Company, Inc.
Purchase Gas Adjustment effective February 2013
GCRM -135

| South Carolina Rate Schedules: | | Current November 2012 Billing Rates | Commodity Change | Proposed February 2013 Billing Rates |
|-----------------------------------|---|---|---------------------|--|
| 201 | Residential Service - Value | | | |
| | Monthly Charge-winter | 10.00 | | 10.00 |
| | Monthly Charge-summer | 8.00 | | 8.00 |
| | Winter (Nov.-Mar.) | 0.80955 | (0.07633) | 0.73322 |
| | Summer (Apr.-Oct.) | 0.76548 | (0.07633) | 0.68915 |
| 221 | Residential Service - Standard | | | |
| | Monthly Charge-winter | 10.00 | | 10.00 |
| | Monthly Charge-summer | 8.00 | | 8.00 |
| | Winter (Nov.-Mar.) | 0.97728 | (0.07633) | 0.90095 |
| | Summer (Apr.-Oct.) | 0.97465 | (0.07633) | 0.89832 |
| 205 | Outdoor Gas Light Service | | | |
| | Monthly Charge | 15.00 | | 15.00 |
| 202 | Small General Service-Standard | | | |
| | Monthly Charge | 22.00 | | 22.00 |
| | Winter (Nov.-Mar.) | 0.89146 | (0.07633) | 0.81513 |
| | Summer (Apr.-Oct.) | 0.85979 | (0.07633) | 0.78346 |
| 232 | Small General Service-Value | | | |
| | Monthly Charge | 22.00 | | 22.00 |
| | Winter (Nov.-Mar.) | | | |
| | First 2,000 | 0.84018 | (0.07633) | 0.76385 |
| | Over 2,000 | 0.81509 | (0.07633) | 0.73876 |
| | Summer (Apr.-Oct.) | | | |
| | First 2,000 | 0.75775 | (0.07633) | 0.68142 |
| | Over 2,000 | 0.73473 | (0.07633) | 0.65840 |
| 252 | Medium General Service-Standard | | | |
| | Monthly Charge | 75.00 | | 75.00 |
| | Winter (Nov.-Mar.) | 0.85490 | (0.07633) | 0.77857 |
| | Summer (Apr.-Oct.) | 0.81806 | (0.07633) | 0.74173 |
| 262 | Medium General Service-Value | | | |
| | Monthly Charge | 75.00 | | 75.00 |
| | Winter (Nov.-Mar.) | | | |
| | First 5,000 | 0.79644 | (0.07633) | 0.72011 |
| | Over 5,000 | 0.76763 | (0.07633) | 0.69130 |
| | Summer (Apr.-Oct.) | | | |
| | First 5,000 | 0.71675 | (0.07633) | 0.64042 |
| | Over 5,000 | 0.69578 | (0.07633) | 0.61945 |
| 242 | Small General Service-Motor Fuel | | | |
| | Monthly Charge | 22.00 | | 22.00 |
| | Winter (Nov.-Mar.) | 0.79626 | (0.07633) | 0.71993 |
| | Summer (Apr.-Oct.) | 0.85605 | (0.07633) | 0.77972 |
| 203 | Large General Sales Service | | | |
| | Monthly Charge | 250.00 | | 250.00 |
| | Billing Demand (therms) | 1.79812 | | 1.79812 |
| | Winter (Nov.-Mar.) | | | |
| | First 15,000 | 0.65182 | (0.07633) | 0.57549 |
| | Next 15,000 | 0.58026 | (0.07633) | 0.50393 |
| | Next 75,000 | 0.54477 | (0.07633) | 0.46844 |
| | Next 165,000 | 0.46553 | (0.07633) | 0.38920 |
| | Next 330,000 | 0.41021 | (0.07633) | 0.33388 |
| | Over 600,000 | 0.38164 | (0.07633) | 0.30531 |
| | Summer (Apr.-Oct.) | | | |
| | First 15,000 | 0.55870 | (0.07633) | 0.48237 |
| | Next 15,000 | 0.50920 | (0.07633) | 0.43287 |
| | Next 75,000 | 0.51444 | (0.07633) | 0.43811 |
| | Next 165,000 | 0.44696 | (0.07633) | 0.37063 |
| | Next 330,000 | 0.40521 | (0.07633) | 0.32888 |
| | Over 600,000 | 0.38164 | (0.07633) | 0.30531 |

Piedmont Natural Gas Company, Inc.
Purchase Gas Adjustment effective February 2013
GCRM -135

South Carolina
Rate Schedules:

| | Current November 2012 Billing Rates | Commodity Change | Proposed February 2013 Billing Rates |
|---|---|---------------------|--|
| 204 Interruptible Sales Service | | | |
| Monthly Charge | 250.00 | | 250.00 |
| Winter (Nov.-Mar.) | | | |
| First 15,000 | 0.73243 | (0.07633) | 0.65610 |
| Next 15,000 | 0.65582 | (0.07633) | 0.57949 |
| Next 75,000 | 0.59932 | (0.07633) | 0.52299 |
| Next 165,000 | 0.61922 | (0.07633) | 0.54289 |
| Next 330,000 | 0.50865 | (0.07633) | 0.43232 |
| Over 600,000 | 0.42164 | (0.07633) | 0.34531 |
| Summer (Apr.-Oct.) | | | |
| First 15,000 | 0.57450 | (0.07633) | 0.49817 |
| Next 15,000 | 0.52456 | (0.07633) | 0.44823 |
| Next 75,000 | 0.49744 | (0.07633) | 0.42111 |
| Next 165,000 | 0.47988 | (0.07633) | 0.40355 |
| Next 330,000 | 0.42021 | (0.07633) | 0.34388 |
| Over 600,000 | 0.39164 | (0.07633) | 0.31531 |
| 213 Large General Transportation Service | | | |
| Monthly Charge | 250.00 | | 250.00 |
| Standby Demand | 1.20161 | | 1.20161 |
| Billing Demand (therms) | 0.59651 | | 0.59651 |
| Winter (Nov.-Mar.) | | | |
| First 15,000 | 0.24708 | (0.00133) | 0.24575 |
| Next 15,000 | 0.18025 | (0.00133) | 0.17892 |
| Next 75,000 | 0.13378 | (0.00133) | 0.13245 |
| Next 165,000 | 0.09047 | (0.00133) | 0.08914 |
| Next 330,000 | 0.03546 | (0.00133) | 0.03413 |
| Over 600,000 | 0.00664 | (0.00133) | 0.00531 |
| Summer (Apr.-Oct.) | | | |
| First 15,000 | 0.17599 | (0.00133) | 0.17466 |
| Next 15,000 | 0.12757 | (0.00133) | 0.12624 |
| Next 75,000 | 0.10188 | (0.00133) | 0.10055 |
| Next 165,000 | 0.06868 | (0.00133) | 0.06735 |
| Next 330,000 | 0.03021 | (0.00133) | 0.02888 |
| Over 600,000 | 0.00664 | (0.00133) | 0.00531 |
| 214 Interruptible Transportation Service | | | |
| Monthly Charge | 250.00 | | 250.00 |
| Winter (Nov.-Mar.) | | | |
| First 15,000 | 0.24667 | (0.00133) | 0.24534 |
| Next 15,000 | 0.17972 | (0.00133) | 0.17839 |
| Next 75,000 | 0.13125 | (0.00133) | 0.12992 |
| Next 165,000 | 0.08307 | (0.00133) | 0.08174 |
| Next 330,000 | 0.03611 | (0.00133) | 0.03478 |
| Over 600,000 | 0.00664 | (0.00133) | 0.00531 |
| Summer (Apr.-Oct.) | | | |
| First 15,000 | 0.17559 | (0.00133) | 0.17426 |
| Next 15,000 | 0.12643 | (0.00133) | 0.12510 |
| Next 75,000 | 0.09602 | (0.00133) | 0.09469 |
| Next 165,000 | 0.06549 | (0.00133) | 0.06416 |
| Next 330,000 | 0.05054 | (0.00133) | 0.04921 |
| Over 600,000 | 0.00664 | (0.00133) | 0.00531 |

SCHEDULE B

Piedmont Natural Gas Company, Inc.
South Carolina
Commodity Cost of Gas Calculation
GCRM - 135

| | Annualized Throughput (DT) per Docket 2012-7-G Settlement Approved on 10/3/2012 | Proposed Increase (Decrease) Commodity Rate per (DT) | Total |
|--|--|--|----------------|
| Sales | 12,770,285 | \$ (0.75) | \$ (9,577,714) |
| Transportation | 5,786,409 | | |
| Total Throughput | 18,556,694 | | |
| LAUF % | 1.77% | | |
| Company Use & Lost And Unacct For | 328,453 | \$ (0.75) | \$ (246,340) |
| Total Throughput | | | 18,556,694 |
| Calculated Rate - LAUF | | | (0.0133) |
| Sales Commodity Rate Adjustment per DT | | | \$ (0.76330) |
| Sales Commodity Rate Adjustment per Therm | | | \$ (0.07633) |
| Transportation Commodity Rate Adjustment per DT | | | \$ (0.01330) |
| Transportation Commodity Rate Adjustment per Therm | | | \$ (0.00133) |
| Current Benchmark | | | \$ 3.75 |
| Proposed Benchmark | | | \$ 3.00 |

RATES AND CHARGES

SOUTH CAROLINA RATES AND CHARGES

Residential

Residential Service - Value Rate 201

| | | | |
|------------------|----------|------------------|------------|
| Monthly Charge | | Rate Per Therm | |
| November - March | \$ 10.00 | November - March | \$ 0.73322 |
| April - October | \$ 8.00 | April - October | \$ 0.68915 |

Residential Service - Standard Rate 221

| | | | |
|------------------|----------|------------------|------------|
| Monthly Charge | | Rate Per Therm | |
| November - March | \$ 10.00 | November - March | \$ 0.90095 |
| April - October | \$ 8.00 | April - October | \$ 0.89832 |

Outdoor Gaslight Service - Rate 205

| | |
|----------------|----------|
| Monthly Charge | \$ 15.00 |
|----------------|----------|

Issued by Thomas E. Skains, Chairman, President and CEO
Issued to comply with the authority granted by
The Public Service Commission of South Carolina
Docket No. 2006-401-G, GCRM - 135

Issued: January 16, 2013
Effective: February 2013

SOUTH CAROLINA RATES AND CHARGES

Commercial

Small General Service - Standard Rate 202

| | | | |
|----------------|----------|------------------|------------|
| Monthly Charge | \$ 22.00 | Rate Per Therm | |
| | | November - March | \$ 0.81513 |
| | | April - October | \$ 0.78346 |

Small General Service - Value Rate 232

| | | | | |
|----------------|----------|------------------|-------------|------------|
| Monthly Charge | \$ 22.00 | Rate Per Therm | | |
| | | November - March | First 2,000 | \$ 0.76385 |
| | | | Over 2,000 | \$ 0.73876 |
| | | April - October | First 2,000 | \$ 0.68142 |
| | | | Over 2,000 | \$ 0.65840 |

Medium General Service - Standard Rate 252

| | | | |
|----------------|----------|------------------|------------|
| Monthly Charge | \$ 75.00 | Rate Per Therm | |
| | | November - March | \$ 0.77857 |
| | | April - October | \$ 0.74173 |

Medium General Service - Value Rate 262

| | | | | |
|----------------|----------|------------------|-------------|------------|
| Monthly Charge | \$ 75.00 | Rate Per Therm | | |
| | | November - March | First 5,000 | \$ 0.72011 |
| | | | Over 5,000 | \$ 0.69130 |
| | | April - October | First 5,000 | \$ 0.64042 |
| | | | Over 5,000 | \$ 0.61945 |

Small General Service - Motor Fuel Rate 242

| | | | | |
|------------------|----------|------------------|------------|-----------------|
| Monthly Charge * | \$ 22.00 | Rate Per Therm | | Rate Per GGE ** |
| | | November - March | \$ 0.71993 | 0.90711 ** |
| | | April - October | \$ 0.77972 | 0.98245 ** |

* The Monthly Charge for Rate 242 is not applicable to gas service provided at the Company's Premises.

** The Company may bill in units of Gasoline Gallon Equivalent ("GGE") for gas service provided at the Company's Premises under Rate 242. The rates above convert 1.26 Therms to 1 GGE.

Issued by Thomas E. Skains, Chairman, President and CEO
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SOUTH CAROLINA RATES AND CHARGES

Industrial

Large General Sales Service - Rate 203

| | | | | | |
|---|-------------------------|---------|--------------|------------------------|---------|
| Monthly Charge | | | | \$ | 250.00 |
| Demand Charge (monthly per peak day them usage) | | | | \$ | 1.79812 |
| Rate Per Therm | | | | | |
| | <u>November - March</u> | | | <u>April - October</u> | |
| First 15,000 | \$ | 0.57549 | First 15,000 | \$ | 0.48237 |
| Next 15,000 | \$ | 0.50393 | Next 15,000 | \$ | 0.43287 |
| Next 75,000 | \$ | 0.46844 | Next 75,000 | \$ | 0.43811 |
| Next 165,000 | \$ | 0.38920 | Next 165,000 | \$ | 0.37063 |
| Next 330,000 | \$ | 0.33388 | Next 330,000 | \$ | 0.32888 |
| Over 600,000 | \$ | 0.30531 | Over 600,000 | \$ | 0.30531 |

Interruptible Sales Service - Rate 204

| | | | | | |
|----------------|-------------------------|---------|--|------------------------|------------|
| Monthly Charge | | | | \$ | 250.00 |
| Rate Per Therm | | | | | |
| | <u>November - March</u> | | | <u>April - October</u> | |
| First 15,000 | \$ | 0.65610 | | First 15,000 | \$ 0.49817 |
| Next 15,000 | \$ | 0.57949 | | Next 15,000 | \$ 0.44823 |
| Next 75,000 | \$ | 0.52299 | | Next 75,000 | \$ 0.42111 |
| Next 165,000 | \$ | 0.54289 | | Next 165,000 | \$ 0.40355 |
| Next 330,000 | \$ | 0.43232 | | Next 330,000 | \$ 0.34388 |
| Over 600,000 | \$ | 0.34531 | | Over 600,000 | \$ 0.31531 |

Large General Transportation Service - Rate 213

| | | | | | |
|---|-------------------------|---------|--|------------------------|------------|
| Monthly Charge | | | | \$ | 250.00 |
| Demand Charge (monthly per peak day therm usage) | | | | \$ | 0.59651 |
| Standby Sales Service Charge (monthly per peak day therm usage) | | | | \$ | 1.20161 |
| Rate Per Therm | | | | | |
| | <u>November - March</u> | | | <u>April - October</u> | |
| First 15,000 | \$ | 0.24575 | | First 15,000 | \$ 0.17466 |
| Next 15,000 | \$ | 0.17892 | | Next 15,000 | \$ 0.12624 |
| Next 75,000 | \$ | 0.13245 | | Next 75,000 | \$ 0.10055 |
| Next 165,000 | \$ | 0.08914 | | Next 165,000 | \$ 0.06735 |
| Next 330,000 | \$ | 0.03413 | | Next 330,000 | \$ 0.02888 |
| Over 600,000 | \$ | 0.00531 | | Over 600,000 | \$ 0.00531 |

Interruptible Transportation Service - Rate 214

| | | | | | |
|----------------|-------------------------|---------|--|------------------------|------------|
| Monthly Charge | | | | \$ | 250.00 |
| Rate Per Therm | | | | | |
| | <u>November - March</u> | | | <u>April - October</u> | |
| First 15,000 | \$ | 0.24534 | | First 15,000 | \$ 0.17426 |
| Next 15,000 | \$ | 0.17839 | | Next 15,000 | \$ 0.12510 |
| Next 75,000 | \$ | 0.12992 | | Next 75,000 | \$ 0.09469 |
| Next 165,000 | \$ | 0.08174 | | Next 165,000 | \$ 0.06416 |
| Next 330,000 | \$ | 0.03478 | | Next 330,000 | \$ 0.04921 |
| Over 600,000 | \$ | 0.00531 | | Over 600,000 | \$ 0.00531 |

SOUTH CAROLINA RATES AND CHARGES

Miscellaneous Fees And Charges

Schedule For Limiting And Curtailing Service - Rate 206

| | | |
|---|---------|--|
| Emergency Service Rate Per Therm | \$ 1.00 | In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service. |
| Unauthorized Over Run Penalty Per Therm | \$ 2.50 | In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service. |

Reconnect Fees

| | |
|---------------------------|----------|
| February Through August | \$ 40.00 |
| September Through January | \$ 60.00 |

Returned Check Charge

| | |
|-----------------------|----------|
| Returned Check Charge | \$ 25.00 |
|-----------------------|----------|

Governmental Taxes and Fees

Customers shall also pay all applicable taxes, fees and assessments levied by governmental authorities having jurisdiction.

Issued by Thomas E. Skains, Chairman, President and CEO
Issued to comply with the authority granted by
The Public Service Commission of South Carolina
Docket No. 2006-401-G, GCRM - 135

Issued: January 16, 2013
Effective: February 2013

CERTIFICATE OF SERVICE

The undersigned hereby certifies that copies of the attached documents are being served this date via email and UPS Overnight (1 copy) upon:

John W. Flitter
Florence P. Belser
Nanette Edwards
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jflitter@regstaff.sc.gov
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nsedwar@regstaff.sc.gov

And that copies of the attached documents are being served this date via email and U.S. Mail upon:

David Carpenter
Vice President – Planning and Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
david.carpenter@piedmontng.com

Pia Powers
Manager, Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 16th day of January, 2013.

s/ Scott M. Tyler
Scott M. Tyler